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May 13, 2005

Mary L. Cottrell, Secretary  
Department of Telecommunications and Energy  
One South Station, 2<sup>nd</sup> Floor  
Boston, MA 02110

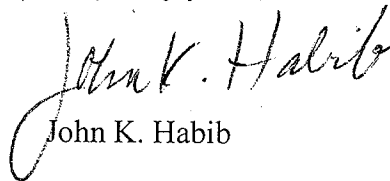
RE: D.T.E. 04-116- Investigation by the Department of Telecommunications and Energy On Its Own Motion Regarding the Service Quality Guidelines Established in Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84 (2001)

Dear Secretary Cottrell:

Please find attached the responses of NSTAR Gas Company to the Department of Telecommunications and Energy's First Set of Discovery to the Gas Companies in the above-referenced proceeding.

Please contact me, Cheryl Kimball or Kerry Britland at NSTAR if you have any questions regarding the filing.

Very truly yours,

  
John K. Habib

Enclosure

cc: Service List  
Jody Stiefel  
Joseph Rogers, Assistant Attorney General

Information Request DTE-GAS 1-1

Please explain how your company calculates and measures each of the following service quality performance measures with regard to (i) variable definition and measurement; (ii) data-collection methods; (iii) data quality issues; and (iv) data analysis and interpretation. Illustrate where possible.

- a) Non Emergency Telephone Answering Factor
- b) Emergency Telephone Answering Factor
- c) Service Appointments kept
- d) Meter Reads
- e) Lost Time Accident Rate
- f) Response to Odor Calls
- g) Staffing Levels
- h) Consumer Division Cases
- i) Restricted Work Day Rate
- j) Unaccounted for Gas

Response

(a) Non-Emergency Telephone Answer Factor

Data relating to the Non-Emergency Telephone Answering Factor is collected through the Company's automated call distribution system and from the automated call distribution system used by the Company's back-up "contract" call center. When a customer contacts the Company via one of the Company's 1-800 customer service telephone numbers, the call is answered by the Integrated Voice Response system ("IVR"), which directs the customer to "press or say" a number from a menu list of options. When the customer makes a selection, the IVR system places the customer into a queue and the waiting time in the queue is measured by the automated call distribution systems. Some transactions queue the customer call directly to the next available Customer Service Representative ("CSR") or transactions can be handled automatically by the IVR without the involvement of a CSR. The automated call distribution systems capture and tally call statistics based on types of calls, coded as customers select menu options, and require no additional analysis or data interpretation prior to reporting. Daily statistics by type of call from the automated systems are compiled into summary

spreadsheets and used for monthly statistical reporting. Using the data in the summary spreadsheet, the Company simply divides the total number of non-emergency calls handled within 30 seconds by the total number of non-emergency calls offered, which includes abandoned calls. Because all four NSTAR companies share a single call center and call-center staff, the automated call distribution systems are unable to differentiate calls by company. Therefore, since 2001 the Company has arrived at one performance measurement for non-emergency calls, which is used for each company.

(b) Emergency Telephone Answering Factor

Data for the Emergency Telephone Answering Factor is collected by the Company's automated call distribution system and its high-volume emergency call answering system. When a customer contacts the Company, the call is answered by the IVR system, which directs the customer to "press or say" a number from a menu list of options. When a customer selects the gas emergency option, the automated call distribution system places the call into the queue to be answered by the next available CSR on a priority basis and the system begins to track the wait time. The automated call distribution systems capture and tally call statistics based on types of calls, coded as customers select menu options, and require no additional analysis or data interpretation prior to reporting. Daily statistics from the automated systems are compiled into summary spreadsheets used for monthly statistical reporting. From the summary spreadsheets, the Company calculates its Emergency Telephone Answering Factor by simply dividing the total number of gas emergency calls that were answered within 30 seconds by the total number of gas emergency calls offered, which includes abandoned calls.

(c) Service Appointments Kept

Data for the Service Appointments Kept statistic is collected by the Company's Gas Service Department. As service appointments are made with customers (including appointments for appliance service and installation), the orders are coded with appointment timeframes in an automated system. When the orders are complete, the service technicians code the completion date on the order, which is input into the system. At the end of the month, a detail report is generated from the automated system, listing all appointment orders and the completion date. The Company calculates its Service Appointments Kept by dividing the total number of service appointments kept by the Company by the total number of service appointments that were made.

(d) On-Cycle Meter Reads

Data for the On-Cycle Meter Reads statistic is collected from the Company's computerized meter reading systems. All meters are scheduled to be read each month. On a daily basis, meters to be read that day are downloaded from the meter systems into meter-reading collection devices (hand-held, or vehicle-mounted). As meters are read, the data is recorded by these devices and uploaded into the meter reading systems. Meter reading data is collected and reported internally by operating division and then manually attributed to the operating company for purposes of SQI reporting. The Company calculates the percentage of on-cycle meter reads by dividing the total number of meters that were actually read by the total number of meters that were scheduled to be read.

(e) Lost Time Accident Rate

Data for the Lost Time Accident Rate is collected by the Company's Safety and Health Services Department. Once an accident occurs, the Supervisor responsible for the injured employee is required to completely fill out an accident report, and submit it to the Safety & Health Services Department within 24 hours. The Safety department inputs the accident information into an automated Peoplesoft application for tracking purposes. If an accident results in a lost work day, the injury report is coded as a Lost Time Accident in Peoplesoft.

The Lost Time Accident rate calculation includes the number of lost time accidents for the company, and the number of employee hours worked. Since NSTAR employees are no longer assigned to specific operating companies, lost time accidents are assigned to the gas company when directly related to gas operations work. When an employee in a shared-service division is injured, the Company allocates responsibility to the operating companies based on a ratio of the number of total employee man-hours in the historical operating units to the total number man-hours for current NSTAR employees. Similarly, the employee hours worked statistic is derived using a ratio of historical work hours to total NSTAR work hours. The Lost Time Accident Rate is calculated as the total number of lost work day accidents (defined by OSHA Guidelines) per 200,000 employee hours worked. The Company reviews and adjusts its tallies of lost time accidents on a monthly basis to the extent that a lost time accident results from a restricted duty case from a prior period.

(f) Response to Odor Calls

Data for the Response to Odor Calls statistic reflects information gathered by the Company's Gas Service Department. When a customer contacts the Company, they are directed by an automated IVR system to "press or say" a number in a

menu list of options. When the customer selects the gas emergency option, a Customer Service Representative will record the emergency information onto a job ticket in an automated customer information system. This job ticket is sent automatically through a print queue to the Gas Dispatch Center. The CSR follows up with a telephone call to the Dispatch Center to insure the job ticket was printed and received. The Dispatch Center manually timestamps the date and time of the call and dispatches a field crew to the reported location. When the field technician arrives on site, the Dispatcher is notified and the original job ticket is manually time-stamped with the arrival date and time. At the end of the shift, the information on all emergency job tickets is tallied as to the number of tickets and the number responded to within 60 minutes. The tallies are recorded on an Excel spreadsheet used for monthly summary performance reporting. From the summary spreadsheet, the Company calculates its Response to Odor Calls statistic by dividing the total number of responses to odor calls within 60 minutes by the Company by the total number of odor calls received.

(g) Staffing Levels

As a result of the merger of BEC Energy and Commonwealth Energy Systems in 1999, and the subsequent consolidation of systems and operations, the Company no longer categorizes employees in accordance with pre-merger operating company designations. Therefore, the Company reports the total count of NSTAR employees based on data available from the Peoplesoft software application, which is maintained by the NSTAR Human Resources Department.

(h) Consumer Division Cases

The Company's Consumer Division Cases statistic is based primarily on the Department of Telecommunications and Energy's monthly "Crosstab Report - Consumer Database". The Company calculates its Consumer Division Case index by dividing the total number of NSTAR Gas cases reflected on the Crosstab Report by the twelve month average number of the Company's residential customers divided by 1,000. Although the Company generally relies on the accuracy and quality of the data provided by the Department to determine whether a case is properly included in the Company's Consumer Division Cases statistic, the Company does not include in its statistic matters reported to the Company on the Crosstab Report that do not meet the D.T.E. 99-84 Service Quality Guideline's definition of a case. Where the Company identifies a case listed in the Crosstab Report as one that potentially should not be properly classified as a case, the Company consults with the Department's Consumer Division and will remove the matter from the statistic in cooperation with the Department.

(i) Restricted Work Day Rate

The Company's Restricted Work Day Rate is calculated using the accident information collected by the Company's Safety and Health Services Department. Once an accident occurs, the Supervisor responsible for the injured employee is required to completely fill out an accident report, and submit it to the Safety & Health Services Department, within 24 hours. The Safety department inputs accident information into an automated Peoplesoft application for tracking purposes. If an accident results in a Restricted Work Day, the injury report is coded as a Restricted Work Day in Peoplesoft.

Similar to the Lost Time Accident Rate, the Restricted Work Day Rate calculation includes the number of restricted duty accidents for the company, and the number of employee hours worked. Since NSTAR employees are not assigned to specific operating companies, for SQI reporting purposes the Company's restricted work day accidents are assigned to the Company when clearly related to gas operations work. For accidents suffered by employees in shared service organizations, an allocation is used based on the Company's pre-NSTAR merger total employee man-hours count versus the total number of current NSTAR employee man-hours. The Company's employee hours worked statistic is derived by allocating the total NSTAR companies' employee worked hours against the Company's pre-NSTAR merger historical worked hours. The Restricted Work Day Rate is calculated as the total number of restricted work day accidents (defined by OSHA Guidelines) per 200,000 employee hours worked. The Company reviews and adjusts its tallies of restricted day accidents on a monthly basis to the extent that a restricted day accident ultimately is classified as a lost work time accident, or has been dismissed after receiving confirmation from OSHA that it is no longer classified as a restricted duty case.

(j) Unaccounted-for Gas

The Company's Unaccounted-for Gas statistic is based on information reported to the Department in the Company's Annual Return on page 72. The calculation of "Gas Unaccounted for" in line 38 on that page is the difference between the "Total Sendout" in line 27 and the "Gas Accounted for" in line 36.

Information Request DTE-GAS-1-2

Please discuss any problems that your company has had in the calculation and measurement of the service quality performance measures and how the company dealt with them.

Response

At the time that the Department's SQ Guidelines first became effective, the Company implemented a series of new data and information systems, as well as work practices, business procedures and reporting mechanisms, in order to conform to the SQ Guidelines and to ensure accurate and efficient collection of data. These changes presented a range of challenges for the Company and its employees and required a significant effort and level of investment by the Company. However, once implementation issues were resolved, the Company has not experienced problems calculating or measuring its service-quality performance under the guidelines.

Information Request DTE-GAS-1-3

Please discuss the advantages and disadvantages of standardizing the calculation and measurement of the service quality performance measures. In addition, discuss any problems that your company specifically would have if the Department were to standardize the calculation and measurement of the service quality performance measures.

Response

The question is similar to the question asked by the Department as information request DTE-A-1-2 in this proceeding. As stated therein, the Department has already made significant progress in terms of establishing uniform measurement methodologies for its SQ performance measures. Each distribution company in Massachusetts is tracking their respective service quality performance in these categories in a similar manner based on the Department's SQ Guidelines. Any greater level of standardization of the measures would necessarily implicate the technologies, work processes and staffing of each company and require changes that could have cost and operational ramifications that would have to be evaluated on a company-specific basis before significant changes could be implemented. Although other participants in the proceeding may suggest minor refinements of the SQ Guidelines that could be easily implemented, NSTAR believes that it is unlikely that further standardization of the measures could occur without creating substantial cost and operational issues for Massachusetts gas and electric companies.



Information Request DTE-GAS-1-4

Please propose a method for standardizing the calculation and measurement of each performance measure listed in DTE-GAS 1-1 with regard to: (i) variable definition and measurement; (ii) data-collection methods; (iii) data quality issues; and (iv) data analysis and interpretation.

Response

NSTAR Gas is not familiar with the operational characteristics of the SQ systems administered by other companies. As noted in the Company's response to information request DTE -A -1-2, NSTAR Gas believes that the gas companies generally calculate and measure each performance measure similarly, consistent with the Department's D.T.E. 99-84 Guidelines. For example, it is the Company's understanding that the majority, if not each, of the Massachusetts gas companies use Interactive Voice Response technology in responding to customer calls and measures calls in the same manner as NSTAR Gas.

Also, to the extent that the Department directs companies to measure each category in a specific manner that may deviate from a particular company's historical processes, the Department risks making company-specific historical data for certain categories useless as a means of comparing a company's current year service quality performance with prior years. In that circumstance, the Department will be requiring companies to start from "square one" in measuring service quality performance, thus pushing far into the future any meaningful comparison of a company's current performance for the measure(s) in question to its past performance in that category in order to determine if service quality is degrading from year-to-year.